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THE WHITE HOUSE
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November 5, 1971

MEMORANDUM FOR:

NSC REVIEW
COMPLETED

OGC Has Reviewed

The Secretary of State
The Secretary of the Treasury
The Secretary of Defense
The Attorney General
The Director of Central Intelligence
The Director, Office of Science and Technology
The Chairman, Joint Chiefs of Staff
The Chairman, President's Foreign Intelligence
Advisory Board
The Chairman, Atomic Energy Commission

SUBJECT: Organization and Management of the U.S.
Foreign Intelligence Community

I have recently reviewed and accepted recommendations on ways in which to improve the functioning of the intelligence community. This memorandum establishes a set of goals and directs organizational and management changes to attain them. It also expresses my concern about major resource management and substantive production problems as guidance to the community for further changes in the future.

The need for an improved intelligence product and for greater efficiency in the use of resources allocated to intelligence is urgent. Resources available for use by the intelligence community will be increasingly constrained and may have to be reduced. At the same time the product of the intelligence community will be of increasing importance to U.S. security and national interests as:

- the relative strength of Soviet and other potential military forces grows with respect to those of the U.S. where previously U.S. superiority was unquestioned;

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- the international environment grows more complex; and financial, commercial and economic factors assume greater significance;
- the need for timely intelligence becomes greater.

I. Objectives

Among the major objectives that must be attained if the efficiency and effectiveness of the intelligence community are to increase substantially are:

- The responsiveness of the U.S. intelligence effort with respect to national requirements must be subject to continuing review.
- Authoritative and responsible leadership for the community as a whole must be assured.
- A more efficient use of resources by the community in the collection of intelligence information must be achieved. Utilization of the means available must be in consonance with approved requirements of U.S. security and national interests.
- Assignment of intelligence functions within the community must be reviewed and revised to eliminate inefficient, unnecessary or outmoded activities.
- The quality, scope and timeliness of the community's product must be improved.
- The provision of intelligence and its utilization must enhance the formulation of the foreign, military and economic policies of the U.S. Government and the planning for and conduct of military operations by U.S. forces.

II. The Necessary Conditions

A number of specific conditions are necessary to the achievement of these objectives.

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- The Director of Central Intelligence (DCI) must delegate direct authority to the Deputy Director of Central Intelligence (as far as is possible without legislation) for the plans, programs, and day-to-day operations of the CIA, and must assume overall leadership of the community.
- More effective review of intelligence product quality and policy must be provided to the DCI, especially by high-level consumers of substantive national intelligence.
- Major issues within the intelligence community must be addressed in such a way that the DCI plays a major role in their resolution. The DCI must have an increased and restructured personal staff to allow him to discharge his augmented responsibilities.
- The DCI should be supported by two major committees of the intelligence community, each of which he chairs, with clearly defined advisory functions embracing his responsibilities related to intelligence production and requirements on the one hand and to intelligence budget and allocation of resources on the other.
- Intelligence collection programs, largely financed and managed by the Department of Defense, must come under more effective management and coordination with other intelligence programs.
- The NSCIDs and DCIDs must be rewritten to reflect the changes directed herein and others as they occur, particularly to reflect reassignment of functions.

III. Measures Decided Upon

After careful consideration, I have decided that the measures listed below are to be taken now to move toward attainment of the stated objectives. They are designed primarily to: (1) enhance the authority and capability of the DCI to provide the required community leadership, (2) provide review and guidance regarding the substantive intelligence product, and (3) more effectively restructure intelligence activities.

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-- I am directing the Director of Central Intelligence to assume leadership of the community in planning, reviewing, coordinating, and evaluating all intelligence programs and activities, and in the production of national intelligence. I shall look to him to improve the performance of the community, to provide his judgments on the efficiency and effectiveness of all intelligence programs and activities (including tactical intelligence), and to recommend the appropriate allocation of resources to be devoted to intelligence.

He will thus assume four major responsibilities:

- Planning and reviewing all intelligence activities and the allocation of all intelligence resources.
- Producing national intelligence required by the President and other national consumers.
- Chairing and staffing all intelligence community advisory boards or committees.
- Reconciling intelligence requirements and priorities within budgetary constraints.

So that he can effectively undertake this community leadership role, I am requesting the DCI to submit to me within 30 days his plan for the appropriate delegation of his current operational responsibilities and for increased staff support for his new role.

- I am directing the Director of Central Intelligence to prepare and submit each year, through OMB, a consolidated intelligence program budget, including tactical intelligence. All information required from all departments and agencies of the Executive Branch is to be made available to him in order that he may provide me with an annual detailed review of the needs and performance of the intelligence community.
- I am creating an Intelligence Resources Advisory Committee, chaired by the Director of Central Intelligence, including as members a senior

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representative from the Department of Defense, the Department of State, the Office of Management and Budget, and the Central Intelligence Agency. This committee is to advise the DCI on the preparation of the intelligence budget and the allocation of resources among programs, ensuring that they are employed in accordance with approved requirements and that there is no unwarranted duplication.

- I am also directing that the USIB be reconstituted under the chairmanship of the DCI including as members the Deputy Director of Central Intelligence (Vice Chairman); Director of Bureau of Intelligence and Research (INR), State Department; Director of National Security Agency (NSA); Director of the Defense Intelligence Agency (DIA) and representatives of the Secretary of the Treasury and of the Director of the Federal Bureau of Investigation and the Atomic Energy Commission (AEC). The USIB will advise and assist the DCI with respect to the production of national intelligence requirements and priorities, the supervision of the dissemination and security of intelligence material, and the protection of intelligence sources and methods.
- I am authorizing the DCI to call upon all departments and agencies of the Executive Branch of the Government to provide requisite information to these two committees and to invite additional participation in their deliberations as may be required in his judgment.
- I am also establishing a National Security Council Intelligence Committee (NSCIC). Its members will be the Attorney General, the Director of Central Intelligence, the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs, who will chair the committee. It will give direction and guidance on national substantive intelligence needs

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and provide for a continuing evaluation of intelligence products from the viewpoint of the intelligence consumer.

- As a related matter, I am directing that a Net Assessment Group be created within the National Security Council Staff. The group will be headed by a senior staff member and will be responsible for reviewing and evaluating all intelligence products and for producing net assessments of U.S. capabilities vis-a-vis those of foreign governments constituting a threat to U.S. security.

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- I am directing the Department of Defense to issue such directives as are required to establish no later than January 1, 1972:

- . A unified National Cryptologic Command under Director, NSA for the conduct of USG communications intelligence and electronics intelligence activities.
- . A single Office of Defense Investigations.
- . A consolidated Defense Map Agency by combining the three Service mapping organizations under arrangements that permit optimum efficiency and economy in production without impairing legitimate requirements of the separate Services.
- . The retention of the DIA to be fully responsive to tasking by the Joint Chiefs of Staff in matters involving essential intelligence support for military planning and operations.

- I am directing staffs of the NSC, DCI and OMB, in consultation and coordination with the President's Foreign Intelligence Advisory Board to make appropriate revisions not later than December 1, 1971 to the NSCID's and other directives as needed to implement the provisions of this memorandum.

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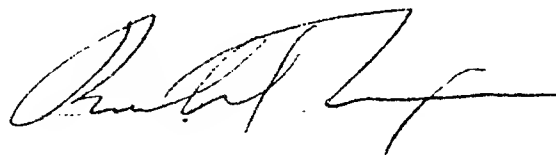
IV. Remaining Problems

The changes I have directed at this time are limited, but I fully expect further changes in the intelligence community consistent with maximum practicable attainment of my objectives.

By far the largest portion of the intelligence budget is devoted to collection. It is here that savings must be sought. Future assignments of roles and missions within the intelligence community cannot be made satisfactorily by compromises among agencies.

The need to make some savings is so urgent that I have directed the Office of Management and Budget, jointly with the DCI and Secretary of Defense, to review the FY 1973 budget for intelligence and to submit specific reductions from current programs, with particular attention to tactical intelligence.

Significant improvement in the intelligence product is also needed. The NSCIC will afford improved guidance regarding consumer needs. Other changes in the consumer-producer relationship may be needed to achieve a more effective reconciliation of the demands from consumers with the limited resources available for intelligence production. It seems desirable in this connection, that resources devoted to analysis and production should increase and that a determined effort be made to upgrade analysis personnel and analysis methods. More rewarding careers for intelligence analysts, including the opportunity to reach high salary levels while remaining analysts, should be considered. An early task of the DCI should be the preparation of a comprehensive program focused upon improving the intelligence process and product.



cc: Director, Office of Management and Budget
Assistant to the President for National Security Affairs 25X1

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Organization and Management of the
U.S. Foreign Intelligence Community

REFERENCE: The President's Memorandum of 5 November 1971

In referent memorandum you requested that I submit to you within thirty days plans for the appropriate delegation of my current authority for the management of the Central Intelligence Agency and for increased staff support in my new role as outlined in that memorandum.

I attach hereto a copy of the kind of delegation of authority to the Deputy Director of Central Intelligence which would seem to be in keeping with your directive. When General Cushman's replacement is sufficiently indoctrinated, I will sign such a paper for him. You are of course familiar with the concerns Senator Stennis has about this delegation. The action vests in the Deputy Director of Central Intelligence all of the authorities necessary for managing and directing the plans, programs, and day-to-day operations of the Central Intelligence Agency.

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I am also submitting herewith a tentative organization chart, setting forth our thoughts about how to organize for the new role you have given me. I will plan to build on the small staff which heretofore has been helping me with various intelligence community responsibilities

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and which will form the nucleus for the expanded structure. As you will see from the chart, I am planning to set up a staff the elements of which will be focused on the several objectives and tasks outlined in referent memorandum, along the following lines. A community comptroller's office will be established, supported by a staff which will maintain year-round contact with the management of the various programs which comprise the U. S. intelligence effort. This office will assist me in drawing up the consolidated intelligence program budget and will provide the essential staff support for the Intelligence Resources Advisory Committee. This office will perform all the usual functions of planning, programming and budgeting for the over-all program. Another section, which will work very closely with the comptroller's office, will be concerned with planning and program evaluation to assist in reaching decisions on the optimum makeup of our foreign intelligence program and in looking ahead to future needs. This will include an element which will monitor and evaluate the community's research and development program to insure that it is properly focused and in support of the objectives of the total intelligence effort. In this section I would expect to have performed the detailed analysis and evaluation of programs from which to make decisions on the most effective combinations to produce the intelligence required. The third component of the staff will serve the dual function of acting as the contact point for the evaluations of the community product stemming from the National Security Council Intelligence Committee and the Net Assessment Group, and examining ways and means to improve the community's production capability. Through this component I would expect not only to monitor community performance with respect to individual intelligence tasks, but also to examine the various intelligence organizations to see where their procedures and methods might be improved. In all this, the essential goal will be to improve the quality, scope and timeliness of the community's product. These, together with the expanded United States Intelligence Board and its important subcommittees, should provide the structure needed to discharge my broadened community responsibilities.

The present estimate is that this increased staff will be on the order of 30 professional and clerical personnel. They will be

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drawn from the Central Intelligence Agency, from various elements in the community and, in a few cases, from the outside.

~~CONFIDENTIAL~~

Richard Helms

Attachments

cc: Director,
Office of Management and Budget
Chairman,
President's Foreign Intelligence Advisory Board

NIPE:BT:dm(3 December 1971)

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MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Delegation of Authority

I hereby delegate to the Deputy Director of Central Intelligence all authorities vested in me by law or by virtue of my position as Director of Central Intelligence and head of the Central Intelligence Agency, except for any authorities the delegation of which is prohibited by law.

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Richard Helms

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FOR IMMEDIATE RELEASE

NOVEMBER 5, 1971

Office of the White House Press Secretary

THE WHITE HOUSE

The White House announced today that the President has directed a number of management steps to improve the efficiency and effectiveness of the U.S. foreign intelligence community.

The President's objectives are to ensure:

- Continuing review of the responsiveness of the U.S. intelligence effort to national needs.
- Strengthened leadership for the community as a whole.
- More efficient use of resources in the collection of intelligence information.
- Elimination of less efficient or outmoded activities.
- Improvement in the quality, scope and timeliness of intelligence information.

The improvements directed by the President follow an exhaustive study conducted at his direction by the staffs of the National Security Council (NSC) and the Office of Management and Budget (OMB) with contributions from the President's Foreign Intelligence Advisory Board (PFIAB), the President's Science Advisor, and the Intelligence community.

The major management improvements include:

- An enhanced leadership role for the Director of Central Intelligence (DCI) in planning, reviewing, coordinating, and evaluating all intelligence programs and activities, and in the production of national intelligence.
- Establishment of a National Security Council Intelligence Committee, chaired by the Assistant to the President for National Security Affairs. Its members will include the Attorney General, the DCI, the Under Secretary of State, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. The Committee will give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products from the viewpoint of the intelligence user.
- Establishment of a Net Assessment Group within the National Security Council Staff. The group will be headed by a senior staff member and will be responsible for reviewing and evaluating all intelligence products and for producing net assessments.
- Establishment of an Intelligence Resources Advisory Committee, chaired by the DCI, including as members a senior representative from the Department of State, the Department of Defense, the Office of Management and Budget, and the Central Intelligence Agency. This Committee will advise the DCI on the preparation of a consolidated intelligence program budget.

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- Reconstitution of the United States Intelligence Board chaired by the DCI, including as members the Deputy Director of Central Intelligence (Vice Chairman); Director of Bureau of Intelligence and Research, State Department; Director of National Security Agency, Director of the Defense Intelligence Agency; representatives of the Secretary of the Treasury and of the Director of the Federal Bureau of Investigation and the Atomic Energy Commission. The Board will advise and assist the DCI with respect to the production of national intelligence, the establishment of national intelligence requirements and priorities, the supervision of the dissemination and security of intelligence material, and the protection of intelligence sources and methods.

The President has also directed certain changes in the Department of Defense's intelligence organization.

A National Cryptologic Command will be set up under the Director of the National Security Agency. Under this command will be consolidated activities now carried out by separate agencies. A further change is the consolidation of all Department of Defense personnel security investigations into a single Office of Defense Investigations. The President has also directed that a Defense Map Agency be created by combining the now separate mapping, charting and geodetic organizations of the military services in order to achieve maximum efficiency and economy in production.

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